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ABSTRACT

This Congressional report presents and examines the Veterans' Education and Employment Amendments of 1984. The purpose of these amendments is (1) to provide a 15 percent increase in the rates of educational assistance paid under the GI bill and the rate of subsistence allowances paid under the Veterans' Administration rehabilitation program for veterans with service-connected disabilities and (2) to revise and extend the veterans' readjustment appointments program for the appointment of veterans in the civil service. Included in the report are the following: the text of the amendments, a discussion of their background, a summary of their main points, a section-by-section analysis, an estimate of their cost, and an analysis of the changes that they will effect in benefits paid to provide training and rehabilitation services to veterans with service-connected disabilities, to secure special assistance for educationally disadvantaged veterans, to fund educational programs pursued by veterans' survivors and dependents, and to obtain employment and training for disabled and Vietnam-era veterans. (MN)

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98TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
98-775

ED250522

VETERANS' EDUCATION AND EMPLOYMENT AMENDMENTS OF 1984

MAY 15, 1984.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 5398]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 5398) to amend title 38, United States Code, to provide a 15-percent increase in the rates of educational assistance paid under the GI bill and the rate of subsistence allowances paid under the Veterans' Administration rehabilitation program for veterans with service-connected disabilities, and to revise and extend the veterans' readjustment appointments program for the appointment of veterans in the civil service, having considered the same, report favorably thereon with amendments, by unanimous voice vote, and recommend that the bill, as amended, do pass.

The amendments (stated in terms of the page and line numbers of the introduced bill) are as follows:

Page 2, after line 2, insert the following:

That this Act may be cited as the "Veterans' Education and Employment Amendments of 1984".

Page 2, line 12, strike out "1862(c)" and insert in lieu thereof "1682(c)".

Page 3, line 3, strike out "$1,047" and insert in lieu thereof "$1,044".

Page 4, in the matter preceding line 1, strike out "first 40,000" and insert in lieu thereof "first $40,000".

Page 7, line 12, strike out "or" and insert in lieu thereof "and".

At the end of the bill add the following new title:

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TITLE III—MISCELLANEOUS

EXTENSION OF EMERGENCY VETERANS' JOB TRAINING ACT

SEC. 301. (a)(1) Section 5(b)(3)(A) of the Emergency Veterans' Job Training Act of 1983 (29 U.S.C. 1721 note) is amended by striking out "60 days" and inserting in lieu thereof "90 days".

(2) The amendment made by paragraph (1) shall apply only to certificates of eligibility issued after the end of the 30-day period beginning on the date of the enactment of this Act.

(b) Section 17 of such Act is amended to read as follows:

"TERMINATION OF PROGRAM

"SEC. 17. Assistance may not be paid to an employer under this Act—

"(1) on behalf of a veteran who applies for a program of job training under this Act after May 29, 1985; or

"(2) for any such program which begins after September 1, 1985.".

INTRODUCTION

On September 29, 1983, the Subcommittee on Education, Training and Employment, chaired by the Honorable Marvin Leath, held a hearing to review aspects of two programs which have been crucial to the successful readjustment of millions of Vietnam era veterans.

The first was the Veterans' Readjustment Appointment Authority (VRA). A VRA appointment currently provides for certain disabled and disadvantaged Vietnam era veterans to be given excepted appointments in the Federal Civil Service. These appointments may lead to competitive status and career or career-conditional tenure upon satisfactory completion of 2 years of service and education or training.

The second was the current level of educational payments under the Vietnam era GI bill. Of the approximately 9.1 million veterans eligible for this program, more than 6.6 million, or 72.1 percent, have received training. A large number are still eligible for GI bill assistance which is not scheduled to terminate until December 31, 1989.

Testimony was provided at this hearing by Miss Dorothy Starbuck, Chief Benefits Director, Veterans' Administration; Dr. Donald J. Devine, Director, Office of Personnel Management; and representatives of the Disabled American Veterans, the American Legion and the Veterans of Foreign Wars of the U.S.

On January 25, 1984, Mr. Leath introduced H.R. 4648, the GI bill rate amendments of 1984, a bill to provide a 15-percent increase in the rates of educational assistance allowances paid under the GI bill and in the rates of subsistence allowances paid under the Veterans' Administration's vocational rehabilitation program for veterans with service-connected disabilities. Mr. Leath also introduced H.R. 4649, a bill to revise and extend the veterans' readjustment appointments program which included a number of recommenda-

tions by OPM Director Donald J. Devine at the September 29, 1983, hearing.

On March 1, 1984, the subcommittee met and recommended H.R. 4648, as amended, and H.R. 4649, as amended, to the full committee by unanimous voice vote.

On January 12, 1984, an oversight hearing was held in San Diego, Calif., to review Public Law 98–77, the Emergency Veterans' Job Training Act of 1983. Testimony was received from Federal, State and local government witnesses, and a number of witnesses from the private sector involved in the implementation of this program.

On April 5, 1984, the Subcommittee on Education, Training and Employment met in Washington, D.C., to evaluate the administration and effectiveness of Public Law 98–77. Witnesses at this hearing included Miss Dorothy Starbuck, Chief Benefits Director, Veterans' Administration; the Honorable William C. Plowden, Assistant Secretary of Labor for Veterans' Employment and Training; a representative of the Interstate Conference of Employment Security Agencies, Inc.; representatives of the Veterans of Foreign Wars of the U.S., Jewish War Veterans, Disabled American Veterans, the American Legion, the Military Order of the Purple Heart, Vietnam Veterans of America, and the Vietnam Veterans Leadership Program. Witnesses also included a representative of the employer community and the Ameriserv Corporation. As a result of this hearing it was determined that Public Law 98–77 should be amended in order to maximize its effectiveness. These amendments are included in title III of the reported bill.

The full committee met on May 10, 1984, and ordered reported H.R. 5398, a bill incorporating the provisions of H.R. 4648 and H.R. 4649, with amendments, and amendments to Public Law 98–77.

Background

Increase in Education, Training and Rehabilitation Benefits

The Veterans' Administration has recommended an increase in the rates and allowances for three programs that provide education, training and rehabilitation benefits to veterans, service men and women and dependents who meet specific eligibility criteria.

Outlays for these programs are estimated to decrease from $1.4 billion in 1984 to $1.3 billion in 1985, because of the decline in the number of eligible beneficiaries.

The largest education and training program administered by the Veterans' Administration is the GI bill for persons who served on active duty during the Vietnam era. The GI bill provides education benefits ranging from college courses to vocational and on-the-job training to veterans and service men and women whose service was at least in part between February 1, 1955, through December 31, 1976. This program helps veterans make the transition from military to civilian life by assisting them to obtain the education they might have received had they not entered military service. Active duty military personnel also are eligible for these benefits. An estimated 40,600 active duty service men and women will be taking educational courses under the GI bill in 1984.

Approximately 80 percent of all eligible Vietnam era veterans have utilized GI bill benefits. In 1985, nearly 461,200 GI bill trainees are expected to participate in the program, compared with 564,300 in 1984. The number of Vietnam era veterans is expected to decline as more veterans reach their delimiting date, which is 10 years following their last date of discharge or separation from the Armed Forces.

The following is a chronology of the educational assistance rates since the bill was enacted on June 1, 1966.

VETERANS EDUCATIONAL ASSISTANCE—THE GI BILL CHRONOLOGY OF EDUCATIONAL ASSISTANCE RATES

Law and type of course	Single veteran	Veteran and 1 dependent	Veteran and 2 dependents	Additional dependents
Public Law 89–358, June 1, 1966: Full-time institutional	$100	$125	$150	.....
Public Law 90–77, October 1, 1967:				
Full-time institutional	130	155	175	$10
Full-time cooperative farm	105	125	145	7
Full-time on-job training	80	90	100	.....
Public Law 91–219, February 1, 1970:				
Full-time institutional	175	205	230	13
Full-time cooperative farm	141	165	190	10
Full-time on-job training	108	120	133	.....
Public Law 92–540, October 1, 1972:				
Full-time institutional	220	261	298	18
Full-time cooperative farm	177	208	236	14
Full-time on-job training	160	179	196	9
Public Law 93–508, December 3, 1974, retroactive to September 1, 1974:				
Full-time institutional	270	321	366	22
Full-time cooperative farm	217	255	289	17
Full-time on-job training	189	212	232	9
Public Law 93–602, January 1, 1975: Full-time on-job training	196	220	240	10
Public Law 94–502, October 15, 1975:				
Full-time institutional	292	347	396	24
Full-time cooperative farm	235	276	313	18
Full-time on-job training	212	238	260	11
Public Law 95–202, October 1, 1977:				
Full-time institutional	311	370	422	26
Full-time cooperative farm	251	294	334	19
Full-time on-job training	226	254	277	12
Public Law 96–466, Effective October 1, 1980:				
Full-time institutional	327	389	443	27
Full-time cooperative farm	264	309	351	20
Full-time on-job training	237	267	291	13
Public Law 96–466, Effective January 1, 1981:				
Full-time institutional	342	407	464	29
Full-time cooperative farm	276	323	367	21
Full-time on-job training	249	279	305	13

The second program for which the rates have been recommended to be increased is the dependents' education and training program. This program provides benefits to children and spouses of veterans who died of a service-connected disability or whose service-connected disability is rated permanent and total. In addition, dependents of service men and women missing in action or forceably detained or interned by a hostile foreign government for more than 90 days are also eligible under this program. In addition to college training, other types of authorized training include on-the-job/apprentice-

ship and cooperative farm training. Correspondence training is permitted for dependents' spouses or surviving spouses.

The number of trainees in this program for spouses and children of a veteran with a permanent and total service-connected disability or the surviving spouses and children of veterans who died of a service-connected disability is estimated to be approximately 73,900 for fiscal year 1985, a decline of 4,300 from fiscal year 1984.

The third program recommended for a cost-of-living increase is special rehabilitation assistance for service-connected disabled veterans—the vocational rehabilitation program. Vocational rehabilitation is provided veterans whose disabilities resulted in an employment handicap. This is the oldest education and training program administered by the Veterans' Administration. It is a continuous, open-ended program which includes the payment of a monthly subsistence allowance, plus educational expenses, to eligible veterans who need this special assistance. A monthly subsistence allowance, currently $282 a month, is paid to a single veteran in full-time institutional training in addition to an allowance for tuition, books, supplies and equipment. Also included in this program are provisions for extended evaluation of seriously disabled veterans and a program of independent living for those veterans unable to participate in a regular vocational rehabilitation program. It is estimated that 33,000 veterans will receive training under this program in fiscal year 1985, an increase of 500 over fiscal year 1984.

In addition to these programs, a 15-percent increase is recommended in allowances for administrative expenses paid to State approving agencies in connection with inspecting, approving and supervising programs of education and training offered by educational institutions and training establishments in which veterans or dependents are enrolled or are about to enroll. These payments are based on an approved contract with individual State approving agencies and involve all levels of education and training.

The legislation proposed by the Veterans' Administration would make the increases effective January 1, 1985. The committee concurs with this recommendation.

In the more than 3 years since the last rate increase, the costs of education have soared. Figures published by the National Center for Education Statistics of the Department of Education indicate that there has been a sharp increase in the overall costs of education in recent years. These NCES data show that the total cost of tuition, board and room for public schools rose by 33.3 percent from school years 1980–81 through school years 1983–84. These same costs increased 37.9 percent at all private schools during the same period. Similar statistics have been published by the American Council on Education and the college boards.

During the same time school costs have been accelerating, Federal educational assistance has been cut back. According to the American Association of State Colleges and Universities, the reduction in Federal student aid, measured in constant dollars, means that 23 percent less aid was available in fiscal year 1984 than in fiscal year 1983. Additionally, there was a reduction of about $480 million a year in Pell grants and comparable cuts in other programs. At the same time, the increase in college costs and the recession made it more difficult for veteran students to attend school.

It was stated in testimony received from the American Association of State Colleges and Universities—

> There can be no question that the current benefit level—$342 per month for an unmarried veteran attending full-time—is too low. Recent data from the College Scholarship Service (CSS) makes this abundantly clear. For 1983–84, the CSS predicts the following average costs: Private 4-year college, $8,440; Public 4-year college, $4,721; Public 2-year college, $3,268. * * * Veterans, of course, have special problems. Most today are married, many have children, and many work part-time or full-time while attending college. While they are allowed somewhat higher GI benefits because of their families, their expenses are much greater. They, too, are in need of an increase in their benefits.

Additionally, the Nation as a whole benefits when veterans' educational level is increased. Higher education correlates with increased earnings as can be seen in the median incomes of both veterans and nonveterans in 1981. Differences in the median incomes at progressively higher education levels are substantial as demonstrated in the following table provided by the Veterans' Administration:

MEDIAN INCOME IN 1981

Attained level of education	Veterans	Nonveterans
No high school	$9,360	$7,120
Some high school	12,510	9,800
High school graduate	17,980	13,340
College graduate	29,210	23,400

Statistics maintained by the Census Bureau also indicate a very high correlation between lifetime income and education level. Using 1981 census data, the Census Bureau estimates a typical high school graduate's lifetime income at $954,000 while a typical college graduate's income soars to $1,329,000. The increased taxes paid on the additional $350,000 earned by the college graduate will more than repay the cost of further education.

Our country has long recognized the importance of a well-educated citizenry. Each individual must be provided the opportunity to progress to the outermost edge of what he is and what he can become. The establishment of the World War II GI bill and the subsequent Korean conflict and Vietnam era GI bills clearly demonstrate the value our Nation attributes to education. Over $60 billion has been expended to provide educational opportunities for veterans and over 16 million veterans and service men and women have taken advantage of the educational benefits available to them.

EXTENSION AND REVISION OF VETERANS READJUSTMENT APPOINTMENT PROGRAM

The Veterans Readjustment Appointment (VRA) program allows eligible disabled Vietnam era veterans and educationally disadvantaged Vietnam era veterans to be appointed noncompetitively to a Federal civilian job which leads to competitive status and career or career-conditional tenure upon satisfactory completion of 2 years of service and education or training. This program enables certain veterans to gain additional skills through a program combining education and training with the opportunity for a regular career appointment. This program is due to expire on September 30, 1984.

The VRA program was established by Executive Order 11521 in March 1970 to provide a means by which the Federal Government might do its share to help in the readjustment of thousands of veterans returning from Southeast Asia. Many of these veterans lacked the skills and advanced education needed to compete in a tight labor market. The VRA program was specifically designed to assist educationally disadvantaged veterans by providing employment, combined with the training and education necessary to enable them to achieve stable employment. This very successful program has, since its inception, provided employment opportunities for more than 200,000 Vietnam era veterans.

To be eligible under current law, a veteran must be qualified for the position, must have served on active duty during the Vietnam era, must have completed no more than 14 years of education or be a service-connected disabled veteran of the Vietnam era. Further, a VRA appointment may not be made above the GS–7 level or the equivalent, and veterans readjustment appointees, unlike competitive employees, have no limited appeal protections during their first year of service.

Subsection (d) of section 2014 of title 38, United States Code, requires a semi-annual report by the Office of Personnel Management containing information provided by agencies on the implementation and activities of such agencies pursuant to the VRA authority in section 2014. The committee bill would authorize an extension of the VRA program and make improvements in the program with regard to the aforementioned provisions of current law.

The VRA program is a voluntary one. There are no added costs associated with the program, and no new positions are created. The appointments are counted against agencies' personnel (FTEE) ceilings.

VRA Extension

The committee bill would extend the VRA program through September 30, 1987. The current VRA statutory authority expires on September 30, 1984. The VRA program should be extended so that Federal agencies may reach more Vietnam era veterans who are interested in Federal employment and need the assistance available under a VRA appointment. Unemployment among Vietnam era veterans remains disturbingly high. March 1984 statistics published by the Bureau of Labor Statistics indicate that over 497,000 Vietnam era veterans were unemployed. Although separate statistics are not kept on disabled veterans, best estimates suggest that

unemployment in this group may range as high as 50 percent. The VRA program has been an effective means of assisting Vietnam era veterans in their efforts to find meaningful employment and it should be extended. All witnesses appearing before the subcommittee when it reviewed this issue testified in support of an extension. The following excerpts from statements by representatives of the three largest veterans organizations typify the total support of veterans for this program. The American Legion: "Foremost, we strongly urge reauthorization to September 1987, as it will now terminate in September 1984." The VFW: "* * * this worthwhile and successful program (VRA) should be continued for at least 3 years." The DAV: "* * * this program (VRA) has been virtually devoid of criticism."

Elimination of the 14-Year Educational Restriction for Nondisabled Vietnam Era Veterans

Under current law, a non-disabled veteran of the Vietnam era does not qualify as a VRA appointee if he or she has over 14 years of education. When this program was initiated by Executive Order in 1970 and codified in 1974, many of the returning veterans were young and lacking in advanced educational training. In the "Final Report on the Utilization of Educational Entitlements by Veterans of the Post-Korean Conflict and Vietnam Era", prepared by the Veterans' Administration in 1981, it was reported that the prior educational attainment of Vietnam era veterans was 12 years of schooling or less. Only 18.7 percent of these veterans had 1 or more years of college prior to entering military service. At this point it was necessary and appropriate to provide a program of employment and training for the educationally disadvantaged. Since then, however, 80 percent of Vietnam era veterans have utilized at least a portion of their GI bill educational benefits. To continue to deny them eligibility for noncompetitive entry to Federal jobs because they have enhanced their education is to defeat the main purpose of the VRA program which is to provide long-term employment to Vietnam era veterans. The dropping of the 14 years educational limit will eliminate educational attainment as a bar to the use of the VRA authority to hire Vietnam era veterans.

Increase the Maximum Grade Level for Appointments From GS–7 to GS–11

H.R. 5398 would increase the maximum grade level for VRA appointments from GS–7 to GS–11. The committee feels that deleting the educational criteria while increasing the grade level to GS–11 will accomplish several things: It will make the VRA program more attractive to veterans; it will provide greater career opportunities; agencies will have increased flexibility to make employment decisions; a better educated veteran will be attracted to Federal service; and agencies will be able to hire a better trained VRA candidate. This change in existing law would further recognize that many Vietnam era veterans have obtained the necessary educational qualifications and/or have met the experience requirements to be employed at a higher grade. It is estimated by the Office of Personnel Management that 200 to 300 VRA's would be hired at the GS–9 level (i.e., 2.3 percent to 3.5 percent of all GS–9 new

hires); and that 100 to 200 VRA's would be hired at the GS–11 level (i.e., 1.8 percent to 3.6 percent of all GS–11 new hires).

Provide Limited Appeal Rights for VRA Appointees

Currently, veterans readjustment appointees who are terminated during their first year of employment have no appeal rights to the Merit Systems Protection Board for certain types of discrimination or improper procedure in terminations for conditions arising before appointment. Career or career-conditional employees, however, do receive these limited appeal protections during their first year of service.

A VRA, during the first year of employment, may be terminated without administrative recourse on a charge that the veteran is "unsuitable" due to pre-employment conduct incompatible with the position. The VRA employee has no statutory or regulatory right to have the agency consider any response or to have a summary dismissal reviewed even procedurally. Thus, the VRA appointment may end in a termination that the veteran employee is unable to challenge, thereby clouding his future chances for public or private sector employment, and defeating the purpose of the program for that veteran.

The committee bill would give the same limited appeal protection to VRA's as are now given career or career-conditional employees during the first year of employment. The excellent retention and conversion rate among VRA hires demonstrates that the vast majority are qualified, motivated employees whose performance warrants this modest additional protection.

Require an Annual VRA Program Report Publication

Current law requires the Office of Personnel Management (OPM) to obtain and publish semiannual reports on agency use of the VRA program. In testimony before the Subcommittee on Education, Training and Employment, Dr. Donald Devine, Director, U.S. Office of Personnel Management, requested that the semiannual publication requirement be eliminated in favor of an annual requirement. He stated that the semiannual report was unnecessarily burdensome, and the requested procedural change would generate modest cost savings in terms of staff hours and publication costs.

The committee agrees that an annual reporting requirement would be adequate. It should be emphasized, however, that this change in no way lessens OPM's responsibility to monitor and evaluate agency use of the VRA program. It is expected that OPM will continue to prepare and issue summaries of VRA hires and other veteran data on a 6-month basis to all parties interested in receiving this information.

In addition to changing the frequency of the report, the reported bill has made a number of technical changes to more clearly show how the system of obtaining the information is operating in practice.

MISCELLANEOUS AMENDMENTS

Extension of Emergency Veterans' Job Training Act

Public Law 98-77, the Emergency Veterans' Job Training Act of 1983 (EVJTA), was signed into law on August 15, 1983, establishing an emergency program of job training assistance for certain unemployed Korean conflict and Vietnam era veterans. The EVJTA program was established in response to the employment difficulties being experienced by large numbers of Vietnam era and Korean conflict veterans. The severe recession and fundamental structural changes in the American economy exacerbated pre-existing employment problems and contributed to the highest unemployment rate ever recorded among veterans.

The EVJTA program has gotten off to a slow start. Veteran interest and response has been very high, with 111,627 veterans approved for participation as of April 23, 1984. Employer participation, however, has been disappointing, with only 14,281 training programs approved, providing 28,137 potential jobs. Only 4,321 veterans had been placed up to that point, about 4 percent of those participating.

On April 5, 1984, the Subcommittee on Education, Training and Employment held an oversight hearing on Public Law 98-77 to evaluate the administration and effectiveness of this program. It was determined at that hearing that some adjustments in the program would be necessary in order to maximize the number of Korean and Vietnam era veterans assisted by this program.

First, title III of the committee bill would extend from 60 to 90 days the life of a certificate of eligibility furnished to a veteran for the emergency veterans job training program, thereby relieving a substantial processing burden for the VA and providing more time for veterans to use the certificate.

Title III of H.R. 5398 will extend to May 29, 1985, the date by which an unemployed veteran may apply for assistance under Public Law 98-77, and to September 1, 1985, the date by which a veteran must begin an on-the-job training program. At the April 5 oversight hearing, all witnesses agreed that the program had gotten off to a slow start and more time was needed to promote the program and encourage more employer participation. It should be stressed that the extensions provided for in this bill do not authorize additional costs to the program, but only extend the periods during which the program may be utilized.

SUMMARY OF THE REPORTED BILL

Title I—GI Bill Rate Increase

Provides for a 15-percent increase in VA's educational assistance rates and subsistence allowances for Vietnam era veterans, dependents and vocational rehabilitation trainees—effective January 1, 1985.

Title II—Extension and Revision of Veterans' Readjustment Appointment (VRA) Programs

Changes maximum appointment level from GS-7 to GS-11, or its equivalent.

Eliminates the 14-year education limit for non-service-connected disabled veterans.

Provides limited appeal rights to VRA appointees who are terminated within the first year of employment.

Extends the VRA program for 3 additional years to end on September 30, 1987.

Changes the Office of Personnel Management's requirement to submit to the Congress a report on the VRA program from a semiannual basis to an annual basis.

Title III—Miscellaneous

Extends from 60 to 90 days the life of a certificate of eligibility furnished to a veteran for the emergency veterans job training program.

Extends the cut-off dates for applying and beginning training under the emergency veterans job training program by 6 additional months.

SECTION-BY-SECTION ANALYSIS OF THE REPORTED BILL

TITLE I—15-PERCENT INCREASE IN RATES

GI Bill Rate Increase

Section 101 provides a 15 percent increase in educational assistance allowance rates for veterans and dependents pursuing programs of education under chapters 34, 35, and 36 of title 38, United States Code. It also provides a 15 percent increase in allowances paid to State approving agencies as reimbursement for expenses in furnishing services under chapters 34, 35, and 36. Lastly, this section authorizes a 15 percent increase in rates used in computing total amounts of education loans presently available to certain eligible veterans under chapter 36.

Subsection (a)(1) of section 101 amends section 1682(a)(1) of title 38 to provide a 15 percent increase in the monthly educational assistance allowances. The full-time institutional rate for a veteran with no dependents would be increased from $342 to $393 per month. The rate for a veteran with one dependent would be increased from $407 to $468 per month. The addition of a child would increase the rate from $464 to $533 per month, with an additional $33 (increased from $29) per month for each dependent in excess of two. The three-quarter and half-time rates are also increased by 15 percent.

Subsection (a)(2) of section 101 amends section 1682(b) of title 38, relating to the pursuit of a program of education by an individual while on active duty, or on less than a half-time basis, by providing a 15 percent increase in the maximum allowance, which shall be computed at the rate of the established charges for tuition, or $393 per month for a full-time course (up from the current $342 rate), whichever is lesser.

Subsection (a)(3) of section 101 amends section 1682(c) of title 38, to provide a 15 percent increase in the monthly assistance rates payable to veterans pursuing a farm cooperative training program. The full-time educational assistance rate for a veteran pursuing farm cooperative training, with no dependents, would be increased

from $276 to $317 per month. The rate payable for a veteran with one dependent would be increased from $323 to $371 per month. The addition of a child would increase the rate from $367 to $422 per month, with an additional $24 per month payable for each dependent in excess of two. The three-quarter and half-time training rates are also increased by 15 percent.

Subsection (a)(4) of section 101 amends section 1692(b) of title 38, relating to the payment of additional allowances to certain eligible veterans who are being tutored, by increasing by 15 percent the maximum assistance payable from $76 to $87 per month (for a maximum of 12 months), and by increasing the maximum amount of such benefits which may be utilized from $911 to $1,047.

Subsection (b)(1) of section 101 amends section 1732(b) of title 38, to provide a 15 percent increase in the educational allowance paid on behalf of an eligible person pursuing a full-time educational program which consists of institutional courses and alternate phases of training in a business or industrial establishment. As amended, the rate is increased from $276 to $317 per month.

Subsection (b)(2) of section 101 amends section 1742(a) of title 38, to increase by 15 percent the special restorative training assistance allowance payable to the parent or guardian of an eligible person in need of such training from $342 to $393 per month. Section 1742(a) is further amended to provide that if the tuition and fees applicable for any such course are more than $124 per calendar month (increased from $108), the basic monthly allowance may be increased by the amount that such charges exceed that monthly figure if the parent or guardian elects to have the entitlement reduced by 1 day for each $13.15 (increased from $11.44) that the special training allowance exceeds the basic monthly allowance.

Subsection (c)(1) of section 101 amends section 1774(b) of title 38 to increase by 15 percent the allowance paid by the Administrator for administrative expenses incurred by State approving agencies in administering education benefits under chapters 34, 35, and 36.

Subsection (c)(2) of section 101 amends section 1786(a)(2) of title 38 to provide that students pursuing correspondence courses will be charged entitlement at the rate of 1 month for each $393 of education assistance allowance paid, a 15 percent increase from the current amount of $342.

Subsection (c)(3) of section 101 amends section 1787(b) of title 38 to increase by 15 percent the allowance payable to veterans or certain eligible persons pursuing full-time programs of apprenticeship or programs of on-job training. The rates of allowance payable for a veteran with no dependents are increased from $249 to $286 per month for the first 6 months, from $186 to $213 per month for the second 6 months, from $124 to $142 per month for the third 6 months, and from $62 to $71 per month for the fourth and succeeding 6-month periods. Rates of allowances for veterans with up to two dependents are also increased by 15 percent and the amount of additional allowance payable for each dependent in excess of two dependents is increased from $13 to $14 per month.

Subsection (c)(4) of section 101 amends section 1798(b)(3), authorizing a 15 percent increase in the rate used to calculate the aggregate of amounts a veteran or eligible person may borrow under subchapter III of chapter 36. Under present law, the total amount

a veteran may borrow is calculated by multiplying $342 by the number of months such veteran is entitled to receive educational assistance under chapter 34. This subsection increases the constant to $393. However, notwithstanding this increase, the total amount a veteran may borrow remains limited to $2,500 in any regular academic year.

Section 102 amends section 1508(b) of title 38 to provide a 15 percent increase in subsistence allowance rates for veterans pursuing programs of vocational rehabilitation. The full-time allowance rate for institutional, extended evaluation, and independent living training for a veteran with no dependents is increased from $282 to $324 per month; for a veteran with one dependent, from $349 to $401 per month; and for a veteran with two dependents, from $411 to $472 per month, with an additional $34 (increased from $30) per month for each dependent in excess of two. The three-quarter and half-time rates are also increased by 15 percent. The full-time allowance rate for farm cooperative, apprentice, or other on-job training for a veteran with no dependents is increased from $246 to $282 per month; for a veteran with one dependent, from $297 to $341 per month; and for a veteran with two dependents, from $343 to $394 per month, with an additional $25 (increased from $22) per month for each dependent in excess of two. The full time allowance rate for extended evaluation is increased for a veteran with no dependents from $282 to $324 a month for a veteran with one dependent from $349 to $401; and for a veteran with two dependents from $411 to $472, with an additional $34 (increased from $30) for each dependent in excess of two. The full time allowance rate for independent living is increased for a veteran with no dependents from $282 to $324; for a veteran with one dependent from $349 to $401; and for a veteran with two dependents from $411 to $472, with an additional $34 a month for each dependent in excess of two.

Section 103 provides that the amendments made in title I shall take effect on January 1, 1985.

TITLE II—VRA EXTENSION

Section 201(a) of title II of H.R. 5398 amends section 2014(a) of title 38, U.S.C., which now has one paragraph on policy. H.R. 5398 proposes to add a second paragraph showing the definition of "agency" for the purposes of this section.

Section 201(b) amends section 2014(b)(1)(A), title 38, U.S.C., which now provides that appointments may be made up to and including the level of GS–7 or its equivalent. H.R. 5398 proposes to increase the level to GS–11.

Section 201(b) amends section 2014(b)(1)(C), title 38, U.S.C., which now limits eligibility without regard to the number of years of education completed for VRA appointments, to a veteran of the Vietnam era "who is entitled to disability compensation under the laws administered by the Veterans' Administration or whose discharge or release from active duty was for a disability incurred or aggravated in line of duty." Section 201(b) of H.R. 5398 strikes the above-quoted language from subsection (b)(1)(C) of section 2014 of title 38, U.S.C., which in effect removes the 14-year education limitation of the Executive order for all Vietnam era veterans.

Section 201(b)(1) (D) and (E) amends section 2014(b)(1)(C), title 38, U.S.C., in order to add a new clause (D) which provides that a veteran of the Vietnam era appointed to a position under the provisions of the Executive order and legislation and terminated during the first year of such appointment, shall receive appeal rights related to certain types of discrimination or improper procedure in termination for conditions arising before appointment. These same limited appeal protections given to career or career-conditional employees during the first year of service are set out in section 315.806 of title 5 of the Code of Federal Regulations.

Section 201(b)(2) amends section 2014(b)(2) of title 38, U.S.C., by extending the termination date of the Vietnam era Veterans Readjustment Appointment Program from 1984 to 1987.

Section 201(c) amends section 2014(c) of title 38, U.S.C., by striking out "department, agency, or instrumentality in the executive branch", and inserting in lieu thereof "agency".

Section 201(d) amends section 2014(d), title 38, U.S.C. which requires the Office of Personnel Management to obtain and publish (on at least a semiannual basis) reports on agency implementation and activities with respect to the readjustment appointment program. The amendment changes the reporting time from a semiannual basis to at least an annual basis. The amendment also removes the reporting requirement from this section and places it in section 2014(e), title 38, U.S.C., instead.

All the reporting required with respect to each agency is the same under title II as in section 2014(d), title 38, U.S.C., i.e., (A) The number of VRA's made and grade levels since the last report, (B) the number of VRA's converted to career or career-conditional appointments, or terminated, with complete listing of categories of causes of terminations and the number terminated falling into such categories, (C) the number of terminations initiated by the agency and initiated by the individual involved, and (D) a description of the education and training programs VRA's are participating in at the time of such report. Section 201.(e)(2) indicates reporting information: (A) shall be shown for "all veterans" and (B) shall be shown separately (i) for Vietnam era veterans who are disabled and (ii) for "other veterans."

TITLE III—MISCELLANEOUS

Extension of Emergency Veterans' Job Training Act

Section 301 makes miscellaneous amendments to the Emergency Veterans' Job Training Act of 1983. Public Law 98–77 (hereinafter referred to as the "Act").

Subsection (a)(1) of section 301 amends section 5(b)(3)(A) of the Act by extending the period after which a certificate of eligibility furnished under the Act to an eligible veteran shall expire, from 60 days after the date furnished, to 90 days after such date.

Subsection (a)(2) of section 301 provides that the amendment made by subsection (a)(1) of section 301 shall apply only to certificates of eligibility issued after the end of the 30-day period beginning on the date of enactment of this Act.

Subsection (b) of section 301 rewrites section 17 of the Act to provide that payment of assistance under the Act may not be provided

to an employer on behalf of a veteran who applies for a program of job training under the Act after May 29, 1985, or for any job training program which begins after September 1, 1985.

Present section 17(a) of the Act states that, except as provided in section 17(b), assistance may not be paid to an employer on behalf of a veteran who applies for a program of job training after September 30, 1984, or for any such program which begins after December 31, 1984. Section 17(b) of the Act provides that if funds are not both appropriated and made available to the Veterans' Administration by October 1, 1983, assistance may be paid to an employer on behalf of a veteran if the veteran applies for a program of training within 1 year after the funds are made available to the Veterans' Administration and if the veteran begins participation within 15 months after such date. Actual funding was not made available to the Veterans' Administration until November 29, 1983. The establishment of May 29, 1985, as the latest date a veteran may apply for a program of training, and September 1, 1985, as the latest date a veteran may begin participation in a training program, results in an additional 6-month extension of the time limits established under present section 17(b).

OVERSIGHT FINDINGS

On September 29, 1983, the Subcommittee on Education, Training and Employment conducted an oversight hearing on the adequacy of educational benefits and subsistence allowances paid to veterans and their dependents under programs administered by the Veterans' Administration and the veterans readjustment appointment authority program administered by the Office of Personnel Management. There has been no increase in the GI bill rates, other VA education, training and rehabilitation program rates since January 1, 1981. Testimony at the hearing emphasized that costs of living and education have sharply increased since January 1981.

The veterans readjustment appointment authority program was reviewed to determine if it was justifiable to extend the program beyond its scheduled expiration date of September 30, 1984. Employment of veterans by the Federal Government was carefully reviewed. Evidence presented at the hearing indicated that substantial increases in education and subsistence rates of veterans, and an extension of the VRA program were warranted.

On January 12, 1984, an oversight hearing on the Emergency Veterans Job Training Act, Public Law 98-77, was held in San Diego, Calif. Witnesses included Federal, State, and local government officials, representatives of veterans organizations, employers, and the Vietnam Veterans Leadership Program (VVLP). The funding approved by Congress for this program for fiscal year 1984 was not allocated to the Veterans' Administration until November 29, 1983. Consequently, the program was in its infancy and implementation was minimal in California. Notwithstanding this, it was recommended that more time was needed to alert veterans and employers that this program was in place, and it was recommended that additional time be provided for utilization of the program.

On April 5, 1984, the Subcommittee on Education, Training and Employment held an oversight hearing on Public Law 98-77.

Again, it was recommended that the cut-off dates of this 2-year program be extended an additional 6 months. The rationale for this recommendation was the slow start that the program had experienced, coupled with the prospect that there will be a sharp increase in the number of veterans placed in this program during the remainder of calendar year 1984.

No oversight findings have been submitted to the committee by the Committee on Government Operations.

BUDGET STATEMENT

The following letter was received from the Congressional Budget Office concerning the cost of H.R. 5398, as amended:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 11, 1984.

Hon. G. V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 5398, a bill to provide a 15 percent increase in the rates of subsistence allowances paid under the Veterans' Administration rehabilitation program for veterans with service-connected disabilities, to revise and extend the veterans' readjustment appointments program and to extend the eligibility period for training activities under the Emergency Veterans' Job Training Act, as amended and ordered reported by the House Committee on Veterans' Affairs, May 10, 1984.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ERIC HANUSHEK
(For Rudolph G. Penner, Director.)

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: H.R. 5398.
2. Bill title: None.
3. Bill status: As amended and ordered reported by the House Committee on Veterans' Affairs, May 10, 1984.
4. Bill purpose: To provide a 15 percent increase in the rates of subsistence allowances paid under the Veterans' Administration rehabilitation program for veterans with service-connected disabilities, to revise and extend the veterans' readjustment appointments program and to extend the eligibility period for training activities under the Emergency Veterans' Job Training Act.
5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1985	1986	1987	1988	1989
Budget authority [1]	135	325	260	210	175
Estimated outlays	127	312	265	214	177

[1] The programs that would be affected by this bill are entitlements requiring annual appropriations.

The cost of this bill would fall in function 700.

Basis of estimate: This cost analysis addresses only Title I, the section of this bill that would be expected to have a significant budgetary impact.

Title I would increase the educational assistance benefits paid under the GI Bill and the subsistence allowances paid under the Veterans' Administration rehabilitation program by 15 percent as of January 1, 1985. This would increase program costs for two reasons. First, the average cost per person would increase by 15 percent and second, the higher rates would induce individuals to train who would not have trained without the higher benefit. Based on past experience with rate increases in these programs, participation would be expected to rise by 9,000 individuals in 1985, when the rate increase would be in effect only for the second half of the school year. In 1986, the first full school year in which trainees would be able to take advantage of the increased allowances, participation is expected to increase by about 67,000 persons. By 1989, the number of additional trainees due to the rate increase would decline to about 32,000. This decline is projected because anticipated inflation would reduce the real value of the benefit.

6. Estimated cost to State and local governments: The Congressional Budget Office has determined that the budgets of state and local governments would not be directly affected by the enactment of this bill.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Kelly Lukins.

10. Estimate approved by: C. G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

Cost

The committee agrees with the cost estimate submitted by the Congressional Budget Office.

Congressional Budget Office—Cost Estimate

Inflationary Impact Statement

The reported bill provides a modest cost-of-living increase in educational rates and subsistence allowances paid to veterans and their dependents under programs administered by the Veterans' Administration. The increase is minimal and will have little, if any, inflationary impact.

Agency Reports

The committee received the following letters from the Veterans' Administration and the Office of Personnel Management on legislation similar to the reported bill:

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., February 28, 1984.

Hon. G. V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to respond to your request for the views of the Veterans' Administration regarding H.R. 4648, the "GI Bill Rate Amendments of 1984."

This bill would authorize a 15-percent increase in subsistence and educational assistance allowances payable, respectively, under the Veterans' Administration's vocational rehabilitation and education programs. It would also authorize a 15-percent increase in allowances paid to State approving agencies as reimbursement for expenses in furnishing services in connection with chapters 34, 35, and 36 of title 38, United States Code. Lastly, the bill authorizes a 15-percent increase in rates used in computing total amounts of education loans presently available to certain eligible veterans under chapter 36 of title 38. The amendments proposed in H.R. 4648 would become effective on October 1, 1984.

The Veterans' Administration favors those provisions authorizing an increase in the subsistence and educational assistance allowances. However, for reasons set forth below, we oppose all other provisions of this bill. Accordingly, we cannot support House passage of H.R. 4648, unless it is amended to remove the objectionable provisions.

Amendments proposed in various parts of section 2 of H.R. 4648 would increase by 15 percent educational assistance allowance rates for veterans and dependents pursuing programs of education under chapters 34, 35, and 36 of title 38. These benefits were last adjusted by Public Law 96-466, which authorized a two-step, 10 percent increase consisting of a 5-percent increase effective October 1, 1980, and an additional 5 percent increase effective January 1, 1981. In light of the increase in the cost of living since then and rising tuition rates, we believe a 15-percent upward adjustment is warranted and would be in consonance with the nature of the established goals underlying our education programs.

Amendments proposed in section 3 of the bill would provide a 15-percent increase in subsistence allowance rates for veterans pursuing vocational rehabilitation under chapter 31 of title 38. The last increase in these rates was authorized by Public Law 96-466, effective October 1, 1980, and totaled 17 percent. Again, in recognition of increases that have occurred in subsistence costs since October 1980, we believe a 15-percent increase in these allowances is justified and would be consistent with the intent of the Veterans' Administration's vocational rehabilitation goals.

It should be noted that the Administration is proposing a similar 15 percent increase, effective January 1, 1985, in both the education and vocational rehabilitation program allowances.

Amendments proposed in subsection (c)(1) of section 2 would authorize a 15-percent increase in allowances for administrative expenses incurred by State approving agencies in connection with inspecting, approving and supervising programs of education and

training offered by educational institutions and training establishments in which veterans or dependents are enrolled or are about to enroll. These payments are based on an approved contract with individual State approving agencies and involve all levels of education and training.

Our experience with the Veterans' Administration's education programs reflects a continuing decline in the population of veterans eligible under chapter 34 of title 38. Additionally, we have noted that certain States have reduced the number of personnel handling approving agency functions for the Veterans' Administration. We believe current allowances are adequate to meet the administrative costs incurred by these agencies and, therefore, we oppose this provision.

Amendments proposed in subsection (c)(4) of section 2 would authorize a 15-percent increase in the rate used to calculate the aggregate of amounts any veteran or person may borrow under subchapter III of chapter 36. Under present law, the total amount a veteran may borrow is calculated by multiplying $342 by the number of months such veteran is entitled to receive educational assistance under chapter 34. This constant would be increased to $393. However, notwithstanding this amendment, the total amount a veteran may borrow would remain $2,500 in any 1 regular academic year.

The Veterans' Administration's education loan program has experienced an excessively high default rate resulting in large overpayments and necessitating, in many instances, increased debt collection activities and costs. In recent years, Congress has acted to correct this problem by barring the Veterans' Administration from making these loans to most veterans.

As a final step, the Administration is now proposing repeal of the Veterans' Administration's authority to make education loans under chapter 36. Thus, we oppose any legislation that could result in further potential increases in defaults and overpayments.

Section 4 of the bill provides an October 1, 1984, effective date. Although, as stated earlier, we generally favor a 15-percent increase in subsistence and educational assistance allowances, we believe a January 1, 1985, effective date would be more appropriate in light of present budgetary constraints.

As a technical note, it appears that paragraph (3) of subsection 2(a) of the measure contains a typographical error. That paragraph makes reference to section "1862(c)," whereas the reference should properly be to section "1682(c)" of title 38. Further, we note that in paragraph (4) of the same subsection the maximum amount of tutorial assistance allowed would be amended to $1,047. This new maximum amount apparently reflects a 15-percent increase in the existing statutory maximum of $911. Based upon built-in program limitations, however, the maximum tutorial assistance allowed an individual under the program could not exceed the maximum monthly allowance payable for 12 months. Consequently, the total maximum allowance shown should be $1,044 ($87 per month multiplied by 12 months).

We estimate enactment of H.R. 4648 would result in an additional benefits cost of $198.2 million during fiscal year 1985 and a total 5-year additional cost of $717.7 million. The 15 percent increase in

educational and subsistence allowances in H.R. 4648, resulting in outlays of $198.2 million in fiscal year 1985, is $65.5 million more than the estimated outlays of $132.7 million for this purpose contained in the President's fiscal year 1985 budget. Enactment of this bill would also result in insignificant additional administrative costs totaling approximately $1.6 million over the first 5 fiscal years.

We have been advised by the Office of Management and Budget that there is no objection to the submission of this report to the Congress from the standpoint of the Administration's program.

Sincerely,

EVERETT ALVAREZ, Jr.,
Deputy Administrator
(For Harry N. Walters, Administrator.)

OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., February 29, 1984.

Hon. G. V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs, Cannon House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your recent request for the views of the U.S. Office of Personnel Management on H.R. 4649, a bill to amend title 38, United States Code, to revise and extend the Veterans' Readjustment Appointments (VRA) program.

H.R. 4649 would extend the VRA program for 3 more years to September 30, 1987. It would change the maximum appointment level from GS-7 to GS-11, eliminate the 14-year educational restriction for nondisabled veterans, and change the reporting requirement from semiannual to annual. As I testified on September 29, 1983, OPM supports an extension of the VRA program to September 30, 1987, the elimination of the 14-year educational restriction for nondisabled veterans, and a change in the reporting requirement from semiannual to annual.

In my testimony I also supported a change in the maximum appointment level from GS-7 to GS-9. However, H.R. 4649 would increase that appointment level from GS-7 to GS-11. Extending this special hiring authority to GS-11 positions is not consistent with the goals of the VRA program. We believe GS-9 is more appropriate because professional position series provide for trainee positions at GS-5, 7, and 9. The GS-11 is generally considered the journeyman, or full performance level. The change to GS-9 achieves increased flexibility to agencies making appointments and recognizes that many Vietnam era veterans have obtained the necessary education and experience to qualify for this higher entry grade. The VRA program is designed to be a program for the training, development and advancement of disadvantaged Vietnam era veterans entering Federal service who cannot benefit from existing veterans' preference for Federal jobs.

H.R. 4649 amends subsection (b), (d) and (e) of section 2014 of title 38, United States Code, relating to the VRA program. As a technical matter, you may want to add "to the Congress" on page 2, line 13, after the word "report" to clarify the purpose of the report. The key action being taken is reducing the semiannual

report to an annual report which we support as being cost effective yet meeting the Congress needs for adequate information.

Proposed subsection (d)(3)(B) on page 3, line 4, H.R. 4649 requests information about the number of individuals whose appointments have been converted to career-conditional. As a technical matter, VRA appointees may be converted to both career or career-conditional appointments. For completeness, line 6 on page 2 should be amended to refer to both types of appointments.

Although we support the goals of H.R. 4649, the Administration has submitted to the Congress the legislative proposal I outlined to the Committee when I appeared before you in September 1983. In addition to the provisions already discussed we are proposing the provision of limited appeal rights to veterans readjustment appointees who are terminated during their first year of employment. There are no added costs associated with the program. No new positions are created. The appointments made are counted against agencies' ceilings. I hope the Committee will take favorable action on OPM's proposal for extension and modification to the VRA program.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely,

DONALD J. DEVINE, *Director.*

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—VETERANS' BENEFITS

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PART III—READJUSTMENT AND RELATED BENEFITS

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CHAPTER 31—TRAINING AND REHABILITATION FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES

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CHAPTER 34—VETERANS' EDUCATIONAL ASSISTANCE

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Subchapter IV—Payments to Eligible Veterans: Veteran-Student Services

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§ 1682. Computation of educational assistance allowances

(a)(1) Except as provided in subsection (b), (c), or (g) of this section, or section 1787 of this title, while pursuing a program of education under this chapter of half-time or more, each eligible veteran shall be paid the monthly educational assistance allowance set forth in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the applicable type of program as shown in column I:

Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$342	$407	$464	$29
Three-quarter-time	257	305	348	22
Half-time	171	204	232	15
Cooperative	276	323	367	21

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Type of program	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	*$393*	*$468*	*$533*	*$33*
Three-quarter-time	*295*	*350*	*400*	*25*
Half-time	*196*	*234*	*266*	*17*
Cooperative	*317*	*371*	*422*	*24*

* * * * * * *

(b) The educational assistance allowance of an individual pursuing a program of education—

(1) while on active duty, or

(2) on less than a half-time basis,

shall be computed at the rate of (A) the established charges for tuition and fees which the institution requires similarly circumstanced non-veterans enrolled in the same program to pay, or (B) [$342] *$393* per month for a full-time course, whichever is the lesser. An individual's entitlement shall be charged for institutional courses on the basis of the applicable monthly training time rate as determined under section 1788 of this title.

(c)(1) An eligible veteran who is enrolled in an educational institution for a "farm cooperative" program consisting of institutional agricultural courses prescheduled to fall within 44 weeks of any period of 12 consecutive months and who pursues such program on—

(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any 3-month period),

(B) a three-quarter-time basis (a minimum of 7 clock hours per week), or

(C) a half-time basis (a minimum of 5 clock hours per week),

shall be eligible to receive an educational assistance allowance at the appropriate rate provided in the table in paragraph (2) of this

subsection, if such eligible veteran is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the veteran is enrolled.

(2) The monthly educational assistance allowance of an eligible veteran pursuing a farm cooperative program under this chapter shall be paid as set forth in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the basis shown in column I:

Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	$276	$323	$367	$21
Three-quarter-time	207	242	275	16
Half-time	138	162	184	11

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Basis	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	*$317*	*$371*	*$422*	*$24*
Three-quarter-time	*238*	*278*	*316*	*18*
Half-time	*158*	*186*	*211*	*12*

* * * * * * *

§ 1508. Allowances

(a)(1) * * *

* * * * * * *

(b) Except as otherwise provided in this section, the Administrator shall determine the subsistence allowance to be paid to a veteran under this chapter in accordance with the following table, which shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of program being pursued as specified in column I:

Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	$282	$349	$411	$30
Three-quarter-time	212	262	308	23
Half-time	141	175	206	15
Farm cooperative, apprentice, or other on-job training: Full-time.	246	297	343	22
Extended evaluation: Full-time	282	349	411	30
Independent living training:				
Full-time	282	349	411	30
Three-quarter-time	212	262	308	23
Half-time	141	175	206	15

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Type of program	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	*$324*	*$401*	*$472*	*$34*
Three-quarter-time	*243*	*301*	*354*	*26*
Half-time	*162*	*201*	*236*	*17*
Farm cooperative, apprentice, or other on-job training: Full-time.	*282*	*341*	*394*	*25*
Extended evaluation: Full-time	*324*	*401*	*472*	*34*
Independent living training:				
Full-time	*324*	*401*	*472*	*34*
Three-quarter-time	*243*	*301*	*354*	*26*
Half-time	*162*	*201*	*236*	*17*

* * * * * * *

Subchapter V—Special Assistance for the Educationally Disadvantaged

* * * * * * *

§ 1692. Special supplementary assistance

(a) * * *

* * * * * *

(b) The Administrator shall pay to an eligible veteran receiving tutorial assistance pursuant to subsection (a) of this section, in addition to the educational assistance allowance provided in section 1682 of this title, the cost of such tutorial assistance in an amount not to exceed **[**$76**]** *$87* per month, for a maximum of twelve

months, or until a maximum of [$911] *$1,044* is utilized, upon certification by the educational institution that—

(1) the individualized tutorial assistance is essential to correct a deficiency of the eligible veteran in a subject required as a part of, or which is prerequisite to, or which is indispensable to the satisfactory pursuit of, an approved program of education;

(2) the tutor chosen to perform such assistance is qualified and is not the eligible veteran's parent, spouse, child (whether or not married or over eighteen years of age), brother, or sister; and

(3) the charges for such assistance do not exceed the customary charges for such tutorial assistance.

* * * * * * *

CHAPTER 35—SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE

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Subchapter IV—Payments to Eligible Persons

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§ 1732. Computation of educational assistance allowance

(a)(1) * * *

* * * * * * *

(b) The educational assistance allowance to be paid on behalf of an eligible person who is pursuing a full-time program of education which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training in the business or industrial establishment being strictly supplemental to the institutional portion, shall be computed at the rate of [$276] *$317* per month.

* * * * * * *

Subchapter V—Special Restorative Training

* * * * * * *

§ 1742. Special training allowance

(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on behalf of such person a special training allowance computed at the basic rate of [$342] *$393* per month. If the charges for tuition and fees applicable to any such course are more than [$108] *$124* per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed [$108] *$124* a month, upon election by the parent or guardian of the eligible person to have such person's period of entitlement reduced by one day for each [$11.44] *$13.15* that the

special training allowance paid exceeds the basic monthly allowance.

CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS

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Subchapter I—State Approving Agencies

* * * * * * *

§ 1774. Reimbursement of expenses

(a) * * *

[(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

Total salary cost reimbursable under this section	Allowable for administrative expense
$5,000 or less	$693.
Over $5,000 but not exceeding $10,000	$1,247.
Over $10,000 but not exceeding $35,000.	$1,247 for the first $10,000 plus $1,155 for each additional $5,000 or fraction thereof.
Over $35,000 but not exceeding $40,000.	$7,548.
Over $40,000 but not exceeding $75,000.	$7,548 for the first $40,000 plus $999 for each additional $5,000 or fraction thereof.
Over $75,000 but not exceeding $80,000.	$14,969.
Over $80,000	$14,969 for the first $80,000 plus $872 for each additional $5,000 or fraction thereof.

(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

Total salary cost reimbursable under this section	*Allowable for administrative expense*
$5,000 or less	*$796.*
Over $5,000 but not exceeding $10,000	*$1,434.*
Over $10,000 but not exceeding $35,000	*$1,434 for the first $10,000, plus $1,328 for each additional $5,000 or fraction thereof.*
Over $35,000 but not exceeding $40,000	*$8,680.*
Over $40,000 but not exceeding $75,000	*$8,680 for the first $40,000, plus $1,148 for each additional $5,000 or fraction thereof.*
Over $75,000 but not exceeding $80,000	*$17,214.*
Over $80,000	*$17,214 for the first $80,000, plus $1,002 for each additional $5,000 or fraction thereof.*

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Subchapter II—Miscellaneous Provisions

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§ 1786. Correspondence courses

(a)(1) * * *

(2) The period or entitlement of any veteran or spouse or surviving spouse who is pursuing any program of education exclusively by correspondence shall be charged with one month for each [$342] *$393* which is paid to the veteran or spouse or surviving spouse as an educational assistance allowance for such course.

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§ 1787. Apprenticeship or other on-job training

(a) * * *

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(b)(1) The monthly training assistance allowance of an eligible veteran pursuing a program described under subsection (a) shall be as follows:

Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Tow dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$249	$279	$306	$13
Second 6 months	186	217	243	13
Third 6 months	124	155	180	13
Fourth and any succeeding 6-month periods.	62	92	119	13

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Periods of training	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	*$286*	*$320*	*$350*	*$14*
Second 6 months	*213*	*249*	*279*	*14*
Third 6 months	*142*	*178*	*207*	*14*
Fourth and any succeeding 6-month period.	*71*	*105*	*136*	*14*

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Subchapter III—Education Loans to Eligible Veterans and Eligible Persons

§ 1798. Eligibility for loans; amount and conditions of loans; interest rate on loans

(a)(1) * * *

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(b)(1) * * *

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(3) The aggregate of the amounts any veteran or person may borrow under this subchapter may not exceed [$342] *$393* multiplied by the number of months such veteran or person is entitled to receive educational assistance under section 1661 or subchapter II of chapter 35, respectively, of this title, but not in excess of $2,500 in any one regular academic year.

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CHAPTER 42—EMPLOYMENT AND TRAINING OF DISABLED AND VIETNAM ERA VETERANS

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§ 2014. Employment within the Federal Government

(a)*(1)* It is the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

(2) For the purposes of this section, the term "agency" means a department, agency, or instrumentality in the executive branch.

(b)(1) To further the policy stated in subsection (a) of this section, veterans of the Vietnam era shall be eligible, in accordance with regulations which the Office of Personnel Management shall prescribe, for veterans readjustment appointments, and for subsequent carrer-conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970), except that—

(A) such an appointment may be made up to and including the level [GS–7] *GS–11* or its equivalent;

(B) a veteran of the vietnam era shall be eligible for such an appointment without any time limitation with respect to eligibility for such an appointment; [and]

(C) a veteran of the Vietnam era [who is entitled to disability compensation under the laws administered by the Veterans' Administration or whose discharge or release from active duty was for a disability incurred or aggravated in line of duty] shall be eligible for such an appointment without regard to the number of years of education completed by such veteran[.] *; and*

(D) a veteran of the Vietnam era who is given such an appointment and whose employment under the appointment is terminated within one year of the date of such appointment shall

have the same right to appeal that termination to the Merit Systems Protection Board as a career or career-conditional employee has during the first year of employment.

(2) No veterans readjustment appointment may be made under authority of this subsection after September 30, [1984] *1987*.

(c) Each [department, agency, and instrumentality in the executive branch] *agency* shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals in [such department, agency, or instrumentality] *such agency* as required by section 501(b) of the Rehabilitation Act of 1973 (29 U.S.C. 791(b)), a separate specification of plans (in accordance with regulations which the Office of Personnel Management shall prescribe in consultation with the Administrator, the Secretary of Labor, and the Secretary of Health and Human Services, consistent with the purposes, provisions, and priorities of such Act) to promote and carry out such affirmative action with respect to disabled veterans in order to achieve the purpose of this section.

[(d) The Office of Personnel Management shall be responsible for the review and evaluation of the implementation of this section and the activities of each such department, agency, and instrumentality to carry out the purpose and provisions of this section. The Office shall periodically obtain and publish (on at least a semiannual basis) reports on such implementation and activities from each such department, agency, and instrumentality, including specification of the use and extent of appointments made under subsection (b) of this section and the results of the plans required under subsection (c) of this section. Each report under the preceding sentence shall include in the specification of the use and extent of appointments made under subsection (b) of this section the following information (shown for all veterans and separately for veterans described in subsection (b)(1)(C) of this section and other veterans):

[(1) The number of appointments made under such subsection since the last such report and the grade levels in which such appointments were made.

[(2) The number of individuals receiving appointments under such subsection whose appointments were converted to career conditional appointments, or whose employment under such an appointment has terminated, since the last such report, together with a complete listing of categories of causes of appointment terminations and the number of such individuals whose employment has terminated falling into each such category.

[(3) The number of such terminations since the last such report that were initiated by the department, agency, or instrumentality involved and the number of such terminations since the last such report that were initiated by the individual involved.

[(4) A description of the education and training programs in which individuals appointed under such subsection are participating at the time of such report.

[(e) The Office of Personnel Management shall submit to the Congress annually a report on activities carried out under this section, except that, with respect to subsection (c) of this section, the Office may include a report of such activities separately in the

report required to be submitted by section 501(d) of the Rehabilitation Act of 1973 (29 U.S.C. 791(d)), regarding the employment of handicapped individuals by each department, agency, and instrumentality.]

(d) The Office of Personnel Management shall be responsible for the review and evaluation of the implementation of this section and the activities of each agency to carry out the purpose and provisions of this section. The Office shall periodically obtain (on at least an annual basis) information on the implementation of this section by each agency and the activities of each agency to carry out the purpose and provisions of this section. The information obtained shall include specification of the use and extent of appointments made by each agency under subsection (b) of this section and the results of the plans required under subsection (c) of this section.

(e)(1) The Office of Personnel Management shall submit to the Congress annually a report on activities carried out under this section. Each such report shall include the following information with respect to each agency:

(A) The number of appointments made under subsection (b) of this section since the last such report and the grade levels in which such appointments were made.

(B) The number of individuals receiving appointments under such subsection whose appointments were converted to career or career conditional appointments, or whose employment under such an appointment has terminated, since the last such report, together with a complete listing of categories of causes of appointment terminations and the number of such individuals whose employment has terminated falling into such category.

(C) The number of such terminations since the last such report that were initiated by the agency involved and the number of such terminations since the last such report that were initiated by the individual involved.

(D) A description of the education and training programs in which individuals appointed under such subsection are participating at the time of such report.

(2) Information shown for an agency under clauses (A) through (D) of paragraph (1) of this subsection—

(A) shall be shown for all veterans; and

(B) shall be shown separately (i) for veterans of the Vietnam era who are entitled to disability compensation under the laws administered by the Veterans' Administration or whose discharge or release from active duty was for a disability incurred or aggravated in line of duty, and (ii) for other veterans.

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EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

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ELIGIBILITY FOR PROGRAM; DURATION OF ASSISTANCE

SEC. 5. (a)(1) * * *

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(b)(1) * * *

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(3)(A) The Administrator shall certify as eligible for participation under this Act a veteran whose application is approved under this subsection and shall furnish the veteran with a certificate of that veteran's eligibility for presentation to an employer offering a program of job training under this Act. Any such certificate shall expire [60] *90* days after it is furnished to the veteran. The date on which a certificate is furnished to a veteran under this paragraph shall be stated on the certificate.

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[TERMINATION OF PROGRAM

[SEC. 17. (a) Except as provided under subsection (b), assistance may not be paid to an employer under this Act—

[(1) on behalf of a veteran who applies for a program of job training under this Act after September 30, 1984; or

[(2) for any such program which begins after December 31, 1984.

[(b) If funds are not both appropriated under section 16 and made available by the Director of the Office of Management and Budget to the Veterans' Administration on or before October 1, 1983, for the purpose of making payments to employers under this Act, assistance may be paid to an employer under this Act on behalf of a veteran if the veteran—

[(1) applies for a program of job training under this Act within one year after the date on which funds so appropriated are made available to the Veterans' Administration by the Director; and

[(2) begins participation in such program within fifteen months after such date.]

TERMINATION OF PROGRAM

SEC. 17. Assistance may not be paid to an employer under this Act—

(1) on behalf of a veteran who applies for a program of job training under this Act after May 29, 1985; or

(2) for any such program which begins after September 1, 1985.

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